

16 August 2019

Our Ref: INS/TEC/6/20/6

By **email** only

To: Chief Executives of authorized insurers carrying on long term business  
enlisted to participate in QIS 3

Dear Sir/Madam,

**Participation in the Third Quantitative Impact Study (QIS 3) for the Development of the Risk-based Capital (RBC) Regime – Matching Adjustment (MA) for Long Term Business**

Further to our circular dated 9 August 2019<sup>1</sup> regarding the launch of QIS 3 for the development of the RBC regime, the Insurance Authority (IA) has finalized the remaining package of template and technical specifications on matching adjustment (MA package) for insurers carrying on long term business. We are writing to enlist your continuous support in completing and submitting data as set out in the MA package, which forms an important part of QIS 3.

MA package stipulates the requirements in determining the discount rates for the valuation of insurance liabilities. MA aims to reflect the assets held by individual companies in supporting the insurance liabilities, and their asset and liability management practices. Your data submission of the MA package is essential for us to further analyze and refine the proposals on MA.

The MA package (filename: *HKQIS2019\_LongTerm\_MA.zip*) contains the following items:

#	Item	Item Description	File Name
(1)	QIS 3 MA Template <b><u>(for submission)</u></b>	A template to calculate the discount rates for each MA portfolio and to collect quantitative data and qualitative information.	<i>HKQIS2019_LongTerm_MA_Template.xlsx</i>
(2)	QIS 3 MA Template (for reference)	An unlocked version for reference. <u>It is not for submission purpose.</u>	<i>HKQIS2019_LongTerm_MA_Template (for reference).xlsx</i>

<sup>1</sup> [https://www.ia.org.hk/en/legislative\\_framework/circulars/reg\\_matters/files/cir\\_20190809.pdf](https://www.ia.org.hk/en/legislative_framework/circulars/reg_matters/files/cir_20190809.pdf)

<u>#</u>	<u>Item</u>	<u>Item Description</u>	<u>File Name</u>
(3)	QIS 3 MA Technical Specifications	Technical specifications provide guidance to complete the MA Template	<i>HKQIS2019 LongTerm_MA TechSpec.pdf</i>

### Submission Instructions and Q&A

Questions should be submitted using the QIS 3 Q&A template to [rbcphase2@ia.org.hk](mailto:rbcphase2@ia.org.hk). Q&A will be posted on Insurer's Collaboration Corner from early September to late November 2019.

The QIS 3 MA Template (above item (1)) should be completed for **each** MA portfolio and submitted to [rbcphase2@ia.org.hk](mailto:rbcphase2@ia.org.hk) by **29 November 2019 (Friday)**. Participants are reminded to complete and submit the template as instructed. Otherwise, re-submission would be required.

Should you have any enquiries, please email us at [rbcphase2@ia.org.hk](mailto:rbcphase2@ia.org.hk) or contact Mr Tom Cheng at 3899 9527.

Yours faithfully,

Raymond Tam  
Executive Director  
Policy and Development Division  
Insurance Authority

Encls.

c.c. Chairman, The Hong Kong Federation of Insurers  
President, The Actuarial Society of Hong Kong